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Attorneys for Alan Nisselson, Chapter 11 Trustee
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Sale: October 5, 2011 at 10:00 a.m.

Sale Approval Hearing: October 6, 2011 at 10:00 a.m.

Objections Due: September 29, 2011 at 5:00 p.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:
	:
	: <u>Chapter 11</u>
BIG APPLE VOLKSWAGEN, LLC,	:
	:
Debtor.	: Case No. 11-11388 (JMP)
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**TRUSTEE’S NOTICE OF SALE OF DEBTOR’S DEALERSHIP ASSETS,
SALE PROCEDURES, AND SALE APPROVAL HEARING**

PLEASE TAKE NOTICE that:

1. On March 30, 2011, Big Apple Volkswagen, LLC (the “**Debtor**”), filed a voluntary petition for relief under chapter 11 of title 11, United States Code, 11 U.S.C. §§ 101 et seq. (the “**Bankruptcy Code**”) with the U.S. Bankruptcy Court for the Southern District of New York (the “**Court**”).

2. By Court Order dated May 12, 2011, Alan Nisselson (the “**Trustee**”) was appointed trustee for the Debtor’s chapter 11 estate.

3. The Debtor owns and operates a Volkswagen vehicle franchise (the “**Dealership**”) pursuant to a dealership agreement between the Debtor and Volkswagen of America, Inc. (“**VWOA**”). The Dealership is located at 3743 Boston Post Road, Bronx, New York 10460.

4. By Order dated July 13, 2011 (Docket No. 86) (the “**Sale Procedures Order**”), the Court authorized the Trustee to sell the Dealership and certain related assets pursuant to approved Bidding Procedures, subject to higher or better offers and Court approval (the “**Sale**”). The Trustee has already received an Initial Offer of \$717,000 pursuant to an Asset Purchase Agreement (“**APA**”) attached as Exhibit B to the Trustee’s Motion dated June 27, 2011 (Docket No. 82). The Bidding Procedures require, among other things, that: (i) all qualified Bidders must

first be approved by VWOA, (ii) the initial overbid must be at least in the sum of \$748,510.00, and (iii) all bids must be on substantially similar terms to those of the APA.

5. Any entity that seeks to make a competing offer must deliver a non-disclosure agreement (“**NDA**”) to the Trustee. Within one business day after receipt of any potential bidder’s NDA, the Trustee will deliver a Bid Package to that potential bidder. Within seven days after receipt of the Bid Package, each potential bidder must submit a completed dealer application to VWOA and to the Trustee. **ALL APPLICATIONS TO VWOA MUST BE SUBMITTED BY NO LATER THAN AUGUST 26, 2011.** Within one business day after receiving notice from VWOA of being a qualified dealer, each potential bidder may participate in the Sale by delivering to the Trustee a deposit of \$75,000.00 and a written agreement to abide by the bidding terms. Reference must be made to the Sale Procedures Order for the complete Bidding Procedures.

6. On **October 5, 2011 at 10:00 a.m. (EDT)**, the Sale of the Dealership will be conducted at the offices of Windels Marx Lane & Mittendorf, LLP, 156 West 56th Street, 22nd Floor, New York, New York 10019. The Trustee shall in his sole discretion and subject to Bankruptcy Court approval select the entity that makes the highest or best bid for the Dealership (the “**Successful Bidder**”).

7. On **October 6, 2011, at 10:00 a.m. (EDT)**, or at such time thereafter as the Trustee may be heard, a hearing will be held to approve the Sale of the Dealership to the Successful Bidder before The Honorable James M. Peck, United States Bankruptcy Judge, in his Courtroom 601 at the United States Bankruptcy Court, Southern District of New York, One Bowling Green, New York, New York 10004 (the “**Sale Hearing**”).

8. The Sale will conform to the Sale Terms as stated in the Sale Procedures Order (Docket No. 86). Among other things, the Dealership will be sold “AS IS, WHERE IS”, WITH ALL FAULTS, without any representations or warranties of any kind or nature whatsoever, and free and clear of liens, claims, interests and encumbrances of any kind whatsoever, with such liens, claims, interests and encumbrances, if any, to attach to the proceeds of Sale with the same validity, enforceability and priority that they had before the Sale date and subject to any claims and defenses that the Debtor’s estate may possess.

9. Copies of the Motion with the APA and the Sale Procedures Order with the Bidding Procedures are available for inspection: (a) at the Office of the Clerk of the Bankruptcy

Court, One Bowling Green, New York, New York 10004, (b) at the Bankruptcy Court's Internet website at www.nysb.uscourts.gov, or (c) by requesting copies from the undersigned attorneys for the Trustee.

10. Information regarding the Dealership and related assets for sale, the NDA, the Bid Package, including VWOA dealership application package, and the Sale Terms may be obtained by contacting Derek Etheridge, Esq. by e-mail at detheridge@windelsmarx.com or by calling (212) 237-1073.

11. Objections, if any, to the Sale shall be (a) filed in writing in accordance with the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, and the Local Bankruptcy Rules for the Southern District of New York, and be electronically filed with the Bankruptcy Court in accordance with the General Order No. M-399, which, along with the User's Manual for the Electronic Case Filing System can be found at the Court's Internet Website located at www.nys.uscourts.gov; (b) delivered to the Chambers of The Honorable James M. Peck, United States Bankruptcy Judge, and (c) served by first-class mail so as to be **received no later than September 29, 2011 by 5:00 p.m. (EDT)** ("Objection Deadline") by: (i) the Court, (ii) Alan Nisselson, Trustee, c/o Windels Marx Lane & Mittendorf, LLP, 156 West 56th Street, New York, New York 10019, and (iii) the Office of the United States Trustee, Southern District of New York, Attention: Richard Morrissey, Esq., 33 Whitehall Street, New York, New York 10004.

Dated: New York, New York
July 14, 2011

WINDELS MARX LANE & MITTENDORF, LLP
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